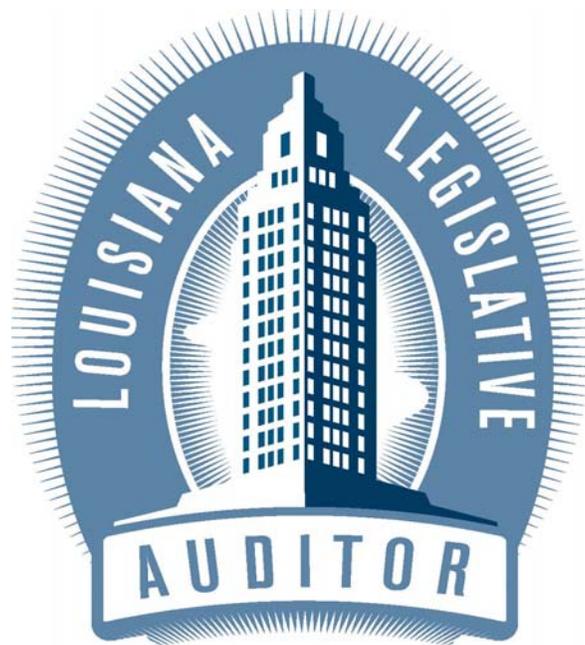


RIVER PARISHES COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED SEPTEMBER 25, 2013

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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DIRECTOR OF FINANCIAL AUDIT
THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Two copies of this public document were produced at an approximate cost of \$7.74. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 6130 or Report ID No. 80130041 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 6, 2013

**RIVER PARISHES COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Sorrento, Louisiana**

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at River Parishes Community College (College) for the period from July 1, 2011, through June 30, 2013.

- Our auditors obtained and documented an understanding of the College's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the College.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the College's annual fiscal reports and/or system-generated reports and obtained explanations from management for any significant variances. We also performed an analysis of the College's revenue sources, operating expenses, fall enrollment, and total degrees/certificates awarded for fiscal years 2009 through 2012 for informational purposes.
- Our auditors reviewed the status of the findings identified in the prior management letter, dated December 2, 2011. The prior year findings relating to inaccurate financial reporting and noncompliance with Louisiana laws for fee waivers have been resolved by management.
- Based on the documentation of the College's controls and our understanding of related laws and regulations, our auditors performed procedures on cash, tuition and fee revenues, operating leases, payroll expenses, and the implementation of the College's new accounting system, Banner.

The Annual Fiscal Report of the College was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The College's accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, the following significant finding is included in this report for management's consideration.

Loss of Tuition Revenues

The College did not charge tuition in accordance with the Louisiana Community and Technical College System's (LCTCS) approved tuition rates for the 2012-2013 school semesters, which resulted in an estimated loss of \$102,540 in tuition revenues.

On June 13, 2012, the LCTCS Board approved a 10% tuition increase in accordance with the LA Grad Act for all LCTCS colleges beginning with the fall 2012 semester. However, the College incorrectly calculated the 10% increase, which resulted in a \$2 per credit hour difference (under-charge). Based on enrollment reports for the fall 2012, spring 2013 and summer 2013 semesters, the estimated loss of revenue was \$102,540.

Management of the College should charge tuition rates approved by the LCTCS Board. Management concurred with the finding and provided a corrective action plan (see Appendix A).

The recommendation in this report represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of the College. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the College should be considered in reaching decisions on courses of actions.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



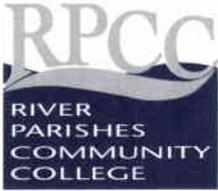
Daryl G. Purpera, CPA, CFE
Legislative Auditor

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RPCC13

APPENDIX A

Management's Corrective Action Plan and Response to the Finding and Recommendation



September 3, 2013

Daryl Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera,

This letter is in response to your audit findings Dated August 2, 2013. We concur with the finding "undercharged for tuition" in 2012-2013, and this response will include the events and circumstances that were contributing factors.

In May of 2012 an emailed letter from LCTCS, with approved tuition rates, was sent to our former Vice Chancellor of Finance and Administration (herein referred to as CFO). He had resigned his position in April of that year; therefore none of his successors were able to view the emailed letter that included the approved tuition rates. Our finance staff calculated the tuition rates based on a 10% increase in prior year's tuition, but omitted fees in the basis of calculating the increase. We made a good faith estimate based on our understanding of the GRAD ACT, but unfortunately we did not have access to the "approved tuition increase" letter from LCTCS.

In June of 2012 an interim (acting) CFO was hired to prepare the year-end financial statements and manage day-to-day activities in that department. In August of 2012 a permanent replacement was hired and the interim CFO exited a few weeks later. We believe that turnover in the CFO's position was a contributing factor in this event.

Corrective Action Plan:

1. The newly-appointed Interim (acting) Vice Chancellor of Finance and Administration (CFO), Edward Bernier, recently verified the correct tuition increase using the "Tuition and Fee Increase" authorization letter from the LCTCS office.
2. Our permanent (CFO) will be briefed on the procedure and will continue to monitor and verify the appropriate accounts. He or she will be instructed to use the "Tuition and Fee Increase" letter from the LCTCS office, and will be told when to look for it from LCTCS.
3. The Director of Accounting will enter new tuition amounts into the system, and such amounts will be verified by the Vice Chancellor of Finance and Administration.



When finance personnel are separated from RPCC, their emails will be monitored or forwarded to the appropriate parties.

5. We will notify LCTCS, and appropriate parties when we have a change in finance personnel.
6. These corrective actions will be implemented immediately.

We are confident that our corrective action plan will help us to avoid such an oversight in the future. If you have any questions, please contact us at 225-675-8270.

Sincerely,

Bill Martin, PhD
Executive Vice Chancellor